



# STAFF ANALYSIS

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## STATE PUBLIC WORKS BOARD

*Friday, September 13, 2019 at 10:00 a.m. in*

*Room 113, State Capitol, Sacramento, California*

<b>I.</b>	Roll Call		
<b>II.</b>	Minutes	Page	2
<b>III.</b>	Consent Items	Page	3
<b>IV.</b>	Action Items	Page	12
<b>V.</b>	Other Business	Page	14
<b>VI.</b>	Reportables	Page	14

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Pursuant to section 11125 of the Government Code, notice of all Board meetings will be given at least ten days in advance and such notice must include a copy of the agenda. Members of the Public may address the Board prior to it taking action on any matter in the agenda.

This notice and the Board agenda for the current month are available on the Internet at: <http://www.spwb.ca.gov>.

Individuals who need disability-related accommodation, including auxiliary aids for effective participation at this public meeting are invited to make their requests and preferences known to Kat Lee at (916) 445-9694 or e-mail to [Kat.lee@dof.ca.gov](mailto:Kat.lee@dof.ca.gov), five days prior to the meeting.

# MINUTES

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Consider approving the minutes from the August 16, 2019 meeting.

Staff have reviewed the minutes from the August 16, 2019 meeting and recommend their approval.

**Staff Recommendation:**                      **Approve minutes from the August 16, 2019 meeting.**

## CONSENT ITEMS

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### CONSENT ITEM—1

**DEPARTMENT OF STATE HOSPITALS (4440)  
STATEWIDE – ENHANCED TREATMENT UNITS  
SAN LUIS OBISPO AND SAN BERNARDINO COUNTIES**

*Authority:        Chapters 25 and 663, Statutes of 2014, Item 4440-301-0001(1), as  
                         reappropriated by the Budget Acts of 2015 and 2016  
                         Chapter 10 and 11, Statutes of 2015, Item 4440-301-0001(4), as reappropriated  
                         by the Budget Act of 2016  
                         Chapters 23 and 55, Statutes of 2019, Item 4440-301-0001(2)*

<b>Consider approving an augmentation</b>	<b>\$2,651,000</b>
	<b>(16.6 percent of appropriation)</b>
	<b>(16.6 percent cumulative)</b>

### STAFF ANALYSIS—1

Department of State Hospitals  
Statewide – Enhanced Treatment Units  
San Luis Obispo and San Bernardino Counties

Action Requested

**If approved, the requested action would approve an augmentation.**

Scope Description

**This project is within scope.** The Statewide - Enhanced Treatment Units project will provide 39 Enhanced Treatment Unit (ETU) beds at Atascadero State Hospital and 10 ETU beds at Patton State Hospital. The project scope includes the conversion of existing patient dorm rooms into individual rooms and associated individual and group therapy space, the installation of lockable doors on patient rooms, the installation of toilets and sinks in patient rooms, and upgrades to the mechanical, plumbing and electrical systems. This project is necessary to accommodate a shift in the patient population of the Department of State Hospitals (Department) to one that is currently more aggressive than in the past and committed via the criminal justice process.

### Funding and Project Cost Verification

**This project is not within cost.** The Budget Act of 2014 appropriated \$1,234,000 General Fund and \$869,000 General Fund for the preliminary plans and working drawings phases of this project, respectively, and the Budget Act of 2015 appropriated \$11,467,000 General Fund for the construction phase. The Budget Act of 2016 reappropriated the working drawings and construction phases. The Budget Act of 2019 provided a supplemental appropriation of \$2,387,000 General Fund for the construction phase of the project, bringing total project costs to \$15,957,000. The Department now requests an augmentation of \$2,651,000 General Fund (16.6 percent of total appropriations) for the construction phase of the project.

Since the start of construction at the Atascadero State Hospital site, challenges with contractor oversight, site conditions, and project design have led to approximately 13 months of delays and increased costs. The main drivers of this delay and need for an augmentation are as follows:

**Design errors:** The final design omitted existing ceiling demolition needed to access ductwork and reinstallation of the Personal Duress Alarm System to ensure functionality within the ETUs. There were errors in the width of doorways that need revision to accommodate detention doors and hardware. This led to increased costs of \$941,000 for the additional work and associated delays.

**Contractor Challenges:** Logistical difficulties in coordinating subcontractors, material shipments, and project submittals have caused delays. These delays have resulted in increases to construction overhead for the Department of General Services, such as architecture and engineering services, inspection, project management, and material testing. In addition, a contract construction manager was hired to provide full-time oversight at the project site. In total, these issues have accounted for approximately \$770,000 of the augmentation request.

**Unforeseen site conditions:** Early in construction, unidentified electrical conduit and cabling under the floor were cut and needed to be reattached. In addition, the contractors discovered overhead mechanical ductwork, rebar, and other utilities needing relocation to accommodate the ETUs. This has resulted in increased costs of \$530,000 for material testing and additional contract work.

**State Fire Marshal (SFM) concerns:** The SFM identified some issues requiring corrections during the construction phase of the project, such as the relocation of fire-rated walls and improvements to all doors and corridor walls. This issue resulted in increased costs of \$410,000 for the additional hardware and contract work.

On August 23, 2019, the Department of Finance notified the chairs of the Joint Legislative Budget Committee and fiscal committees in each house, of its intent to recommend the Board approve the augmentation no sooner than 20 days from that date.

\$15,957,000 Total authorized project cost

\$18,608,000 Total estimated project cost

\$2,103,000 State costs previously allocated: \$1,234,000 for preliminary plans and \$869,000 for working drawings

\$13,854,000 State costs to be allocated: \$13,854,000 for construction (\$10,469,000 contract, \$733,000 contingency, \$1,224,000 A/E, \$1,352,000 other project costs, and \$76,000 agency retained)

\$2,651,000 Requested augmentation: \$2,651,000 for construction

### CEQA

A Notice of Exemption for Atascadero ETU was filed by the Department of State Hospitals with the State Clearinghouse on October 3, 2016 and the 35-day statute of limitations expired without challenge. A Notice of Exemption for Patton ETU was filed by the Department of State Hospitals with the State Clearinghouse on October 3, 2016 and the 35-day statute of limitations expired without challenge.

### Real Estate Due Diligence

A Summary of Conditions Letter for Atascadero ETU was completed by the Department of General Services on August 30, 2016, and no issues that would adversely affect the beneficial use and quiet enjoyment of the project were identified. A Summary of Conditions Letter for Patton ETU was completed by the Department of General Services on September 1, 2016, and no issues that would adversely affect the beneficial use and quiet enjoyment of the project were identified.

### Project Schedule

Approve preliminary plans	December 2016
Complete working drawings	March 2018
Start construction (Atascadero ETU)	September 2018
Complete construction (Atascadero ETU)	September 2020

**Staff Recommendation:**     **Approve augmentation.**

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## **CONSENT ITEM—2**

### **DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225) HEALTH CARE FACILITY IMPROVEMENT PROGRAM STATEWIDE**

*Authority:*     *Sections 15819.40 (b) and (c) and 15819.401-15819.404 of the California Government Code*

### **Consider:**

- a) Approving allocation of \$11,490,000 authority to four Health Care Facility Improvement Program (Program) projects**
- b) Recognizing revised project costs for four Program projects**

## STAFF ANALYSIS ITEM—2

### Department of Corrections and Rehabilitation Health Care Facility Improvement Program Statewide

#### Action Requested

**If approved, the requested action would approve the allocation of \$11,490,000 of authority and recognize revised project costs for four Health Care Facilities Improvement Program (Program) projects as shown in Table 1.**

#### Scope Description

**These projects are within scope.** The Department of Corrections and Rehabilitation (CDCR) has statewide projects to design and construct medical, dental, and mental health treatment or housing space at existing prison facilities. Nine projects provide a range of mental health services, such as Enhanced Outpatient Program treatment and office space, Intermediate Care Facilities, psychiatric services, and mental health crisis beds. These nine mental health projects have been completed.

The Program projects are part of CDCR's strategy to address statewide prison health care system deficiencies. The Board established 25 Program projects to support health care operations by improving the infrastructure necessary to provide a variety of health care services, including primary care, specialty care, laboratory, medication distribution, pharmacy, health records storage, and related health care administration.

#### Funding and Project Cost Verification

**These projects are not within cost.** Sections 15819.401 through 15819.404 of the Government Code appropriated \$900,419,000 lease revenue bond financing authority to the CDCR to design and construct medical, dental, and mental health treatment or housing space at existing prison facilities. The amount authorized in Section 15819.403 of the Government Code was adjusted by Chapter 44, Statutes of 2018, and appropriated an additional \$43 million to fund existing Program projects for a total authorized amount of \$943,419,000. Subsequent to this change, the amount authorized in Section 15819.403 of the Government Code was adjusted again by Chapter 37, Statutes of 2019, which appropriated an additional \$49,850,000 raising the total authorized amount to \$993,269,000. This appropriation provided \$193.1 million for nine completed mental health projects. The remaining \$800.1 million within the appropriation has been allocated for the 25 Program projects.

To date, this appropriation has been augmented by \$187,346,000 for various Program projects (18.9 percent cumulative). In August 2019, the Board allocated \$2,735,000 of the \$49,850,000 for two projects. At this time, CDCR is requesting to allocate \$11,490,000 of the remaining \$47,115,000 for four Program projects. After this action, \$35,625,000 remains available for allocation. Table 1 outlines the cost adjustments for each of the four projects. These adjustments stem from increases in project costs that are a result of unforeseen variables that materialized during the construction phase of these Program projects.

Table 1. Program Revised Project Costs		
Program Projects	Additional Authority	Revised Project Cost
California Correctional Center, Lassen	\$1,208,000	\$28,414,000
California Correctional Institution, Kern	\$4,057,000	\$43,009,000
California Medical Facility, Solano	\$4,387,000	\$46,242,000
High Desert State Prison, Lassen	\$1,838,000	\$30,759,000
<b>Total</b>	<b>\$11,490,000</b>	

Costs have escalated for a number of reasons, as previously outlined in the Staff Analysis for the April 13, 2018 Board meeting.

CDCR is making progress on the construction of this Program. Of the 25 prisons that have Program projects funded from this appropriation, one prison was completed in 2017, three prisons were completed in 2018, and two additional prisons were complete in June 2019. As of July 2019, construction activities for the overall Program were approximately 71 percent complete.

On August 23, 2019, the Department of Finance notified the chairs of the Joint Legislative Budget and fiscal committees in each house of its intent to recommend the Board approve the allocation of additional authority no sooner than 20 days from that date.

\$1,133,500,000	Total authorized project cost
\$1,144,990,000	Total estimated project cost
\$1,133,500,000	Project costs previously allocated: \$36,284,000 for preliminary plans, \$48,319,000 for working drawings, and \$1,048,897,000 for construction (\$695,380,000 for contract, \$41,977,000 for contingency, \$59,704,000 for A&E, \$106,119,000 for other project costs, and \$145,717,000 for agency retained items)
\$11,490,000	Project costs to be allocated: increase of \$11,490,000 for construction (an increase of \$4,405,000 for contract, \$647,000 for contingency, \$758,000 for A&E, \$3,316,000 for other project costs, and \$2,364,000 for agency retained)

#### CEQA

Notices of Determinations were filed by CDCR with the State Clearinghouse on various dates, and the 30-day statute of limitations expired without challenge.

#### Real Estate Due Diligence

The Summary of Conditions Letters for these projects were completed by Department of General Services on various dates, and no issues that would adversely affect the beneficial use and quiet enjoyment of these projects were identified.

#### Project Schedule

Approve preliminary plans	Various
Complete working drawings	Various
Start construction	Various
Complete construction	Various

**Staff Recommendation: Approve the allocation of \$11,490,000 of authority and recognize revised project costs for four Program projects as shown in Table 1.**

## CONSENT ITEM—3

DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)  
CALIFORNIA INSTITUTION FOR MEN, 50-BED MENTAL HEALTH CRISIS FACILITY  
SAN BERNARDINO COUNTY

*Authority: Chapter 14, 22, and 54, Statutes of 2017, 5225-301-0001 (9)  
Chapter 29, 30, and 449 Statutes of 2018, 5225-301-0001 (8)*

- Consider**
- a) Recognizing a scope change**
  - b) Recognizing an anticipated deficit**
  - c) Approving preliminary plans**
  - d) Recognize revised project costs**

## STAFF ANALYSIS ITEM—3

Department of Corrections and Rehabilitation  
California Institution for Men, 50-Bed Mental Health Crisis Facility  
San Bernardino County

### Action Requested

**If approved, the requested action will approve a scope change, recognize an anticipated deficit, approve preliminary plans, and recognize revised project costs.**

### Scope Description

**This project is not within scope.** This project consists of the design and construction of a new 50-Bed Mental Health Crisis Facility (MHCF) that will provide housing, treatment, and office space to allow for inmate-patients in a crisis mental health state or inmate-patients requiring other levels of licensed mental health care to be treated at California Institution for Men (CIM). The new building will accommodate housing, administration, treatment, and custody services required to support 50 inmate-patients. There will be six individual exercise yards and two group yards on the exterior of the building.

Site preparation work will include provisions for extension of existing utilities, including water, wastewater, natural gas, electrical, communications to the proposed building site, and demolition of a former chapel building and an in-ground swimming pool. Additional site improvements for the MHCF will include a paved fire access road around the perimeter of the MHCF building, several paved truck delivery areas on the north side of the new building, and a new parking lot located outside of the facility's main security enclosure. On February 12, 2018, the Board approved a scope change to reflect demolition of existing structures and the removal of perimeter fencing and a guard tower.

The California Department of Corrections and Rehabilitation (CDCR) is requesting a scope change due to the increased building area from what was proposed in the 2017 and 2018 Budget Acts. Specifically, the size of the proposed building has increased from approximately 48,000 sf to approximately 70,000 sf. The added building area was influenced by the following three factors:

1. *Updated CDCR Space Standards*—With input from California Correctional Health Care Services (CCHCS), the updated space standards reflect lessons learned from operations of new mental health facilities constructed between 2010 and 2013 and design efforts for the Health Care Facility Improvement Program between 2013 and 2016. This effort was concurrently being updated with the preliminary plans funding proposal in the 2017 Budget Act. This factor contributed approximately 11,000 sf to the increased size of the project.
2. *Program and Operational Flexibility*—This flexibility includes the ability to house both male and female inmate-patients as well as all three licensed levels of mental health care (i.e., Crisis, Acute and Intermediate). This increased the number of housing wings from four to six (when compared to other CDCR licensed mental health facilities) and includes dayrooms in each wing, allowing each wing to operate independently of one another. This factor contributed approximately 6,000 sf to the increased size of the project.
3. *Post-occupancy Evaluations*—The design consultant, CDCR and CCHCS staff conducted site visits of licensed mental health facilities at the commencement of design to identify lessons learned (e.g., strengths and operational deficiencies) to incorporate into the design of the new facility. This factor contributed approximately 5,000 sf to the increased size of the project.

#### Funding and Cost Verification

**This project is not within cost.** The Budget Act of 2017 appropriated \$3,661,000 General Fund for preliminary plans and the Budget Act of 2018 appropriated \$3,441,000 General Fund for working drawings. Funding for the construction phase is anticipated to be requested in a future budget cycle. A revised project estimate was prepared in association with completion of preliminary plans. Based on this new estimate, the current total estimated project cost is \$92,510,000, which is an increase of \$35,923,000 from previous estimates (63 percent of total estimated project costs as of the 2018 Budget Act). We note that the federal court overseeing the *Coleman v. Newsom* litigation is monitoring progress of this facility.

On May 14, 2019, the Department of Finance notified the chairs of the Joint Legislative Budget (JLBC) and fiscal committees in each house of its intent to recommend the Board recognize the scope change no sooner than 20 days from that date. However, on June 12, 2019, the chair of the JLBC requested the Administration reevaluate the need for both projects at CIM and the Richard J. Donovan Correctional Facility at this time. In response to this request, the Administration agreed to reevaluate the need for both facilities before approving preliminary plans and the proposed scope change via a letter dated June 19, 2019.

After working with the Legislative Analyst's Office and JLBC staff, the Administration sent a letter on August 26, 2019 explaining its intent to only move forward with the MHCF project at CIM provided the recent population trends in the male inpatient population. In response, the JLBC sent a letter on September 4, 2019 expressing that its concerns have been addressed and agrees with the request the Administration is proposing regarding the new scope and cost of this project.



\$7,102,000 Total authorized project costs

\$92,510,000 Total estimated project costs

\$7,102,000 Project costs previously allocated: \$3,661,000 for preliminary plans and \$3,441,000 for working drawings

\$48,485,000 Project costs to be allocated: \$49,485,000 for construction (\$37,650,000 contract, \$1,883,000 contingency, \$3,097,000 A/E, \$4,561,000 other project costs, and \$2,294,000 agency retained)

\$36,521,000 Anticipated project deficit: \$36,521,000 for construction (\$33,535,000 contract, \$1,676,000 contingency, \$643,000 other project costs, and \$667,000 agency retained)

-\$598,000 Anticipated project savings: \$598,000 for preliminary plans

### CEQA

A Notice of Determination was filed with the State Clearinghouse on May 8th, 2019, and the 30-day statute of limitations expired with several parties challenging the project. These parties include the County of San Bernardino, the City of Chino, the City of Chino Hills, and the Chino Valley Independent Fire District. Staff is unaware of any other challenges at this time.

### Real Estate Due Diligence

A Summary of Conditions Letter for this project was completed on June 6, 2019, and no issues that would adversely affect the beneficial use and quiet enjoyment of the project were identified.

### Project Schedule

Approve preliminary plans	June 2019
Complete working drawings	April 2020
Start construction	August 2020
Complete construction	August 2022

**Staff Recommendation:** Approve scope change, recognize an anticipated deficit, approve preliminary plans, and recognize revised project costs.

# ACTION ITEMS

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## ACTION ITEM—1

### HIGH SPEED RAIL AUTHORITY (2665) INITIAL OPERATING SEGMENT, SECTION 1 FRESNO COUNTY

*Authority: Chapter 152, Statutes of 2012, Item 2665-306-0890 (1) as reappropriated by the Budget Act of 2018*  
*Chapter 152, Statutes of 2012, Item 2665-306-6043 (1) as reappropriated by the Budget Act of 2018*  
*Chapter 25, Statutes of 2014, Item 2665-306-3228 (1)*  
*Section 39719(b) (2) of the Health and Safety Code*  
*Section 39719.1 of the Health and Safety Code*  
*Section 15854 of the Government Code*

**Consider the adoption of a Resolution of Necessity authorizing the use of eminent domain by the High Speed Rail Authority to acquire the following property for the High Speed Train System:**

- 1. Warner Capital Assets Property (Fresno County)**  
**Authority Parcel Number: MF-10-1002-1**  
**Assessor Parcel Number: 504-103-12**

## STAFF ANALYSIS ITEM—1

High Speed Rail Authority  
Initial Operating Segment, Section 1  
Fresno County

### Action Requested

**Adopt a Resolution of Necessity authorizing the use of eminent domain by the High Speed Rail Authority to acquire a property for the High Speed Train System.**

### Background

Under California Eminent Domain Law, the Board is the governing body of the High Speed Rail Authority (Authority) for purposes of adopting a Resolution of Necessity that is required for the Authority to initiate the eminent domain proceedings. In order to adopt a Resolution of Necessity the Board must consider that the following conditions have been met:

- (A) The public interest and necessity require the project;
- (B) The project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury;
- (C) The property sought to be acquired is necessary for the project; and,
- (D) The offer required by Government Code section 7267.2 has been made to the owner or owners of record.

The property is within the right of way for the Initial Operating Segment, Section 1, extending from Madera to Shafter, and is within the preferred alignment as previously approved by both the High Speed Rail Authority Board of Directors and the Federal Railroad Administration. Acquisition of this property will allow the Authority to move forward with construction of the High Speed Train System.

The Authority notified the Board's staff that in June 2019, the owner was provided with a first written offer to purchase the subject property, as required by Government Code section 7267.2. The Authority has informed the Board's staff that negotiations to acquire the property are continuing; however, to keep the project on schedule, the adoption of a Resolution of Necessity to authorize the use of eminent domain is required.

On August 22, 2019, a Notice of Intent to adopt a Resolution of Necessity was mailed by Board staff to the property owner. This notice was sent in accordance with Code of Civil Procedure section 1245.235.

***Property Specific Information:***

1. Warner Capital Assets Property (Fresno County)  
Authority Parcel Number: MF-10-1002-1  
Assessor Parcel Number: 504-103-12  
Partial Acquisition: Approximately 0.15 acre in easement

This property is needed to construct and maintain an underground drainage pipeline facility running parallel to the W. Herndon Avenue grade separation.

**Staff Recommendation:**      **Adopt a Resolution of Necessity authorizing the use of eminent domain by the Authority to acquire a property for the HSTS.**

## OTHER BUSINESS

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NONE

## REPORTABLES

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**TO BE PRESENTED AT MEETING**